

CURRENT FUND

BOROUGH OF DUMONT
STATEMENT OF CASH AND INVESTMENTS - COLLECTOR-TREASURER

Balance, December 31, 2011		\$ 3,515,013
Increased by Receipts:		
Taxes Receivable	\$ 53,369,877	
Revenue Accounts Receivable	2,498,778	
Non Budget Revenue	235,365	
Prepaid Taxes	174,881	
Receipts from General Capital Fund	25,000	
Receipts from Other Trust Fund	9,843	
Receipts from Animal Control Fund	6,172	
Unappropriated Reserves for Grants	53,413	
Miscellaneous Reserves	640,995	
Tax Overpayments	26,655	
Senior Citizens' and Veterans' Deductions	178,219	
Other Liabilities	34,511	
Receipts from Public Assistance Trust Fund	1	
Petty Cash	300	
		<u>57,254,010</u>
		60,769,023
Decreased by Disbursements:		
2012 Appropriations	17,955,484	
2011 Appropriation Reserves	221,828	
Encumbrances Payable	842,273	
Tax Overpayments	26,655	
County Taxes	4,081,772	
Local District School Taxes	33,334,772	
Special Emergency Note	50,000	
Refund of Prior Year Revenue	2,981	
Appropriated Grant Reserves	39,481	
Miscellaneous Reserves	638,998	
Payments to General Capital Fund	198,772	
Payments to Unemployment Insurance Trust Fund	27,000	
Petty Cash	300	
		<u>57,420,316</u>
Balance, December 31, 2012		<u>\$ 3,348,707</u>

**BOROUGH OF DUMONT
STATEMENT OF PETTY CASH FUNDS**

<u>Office</u>	Petty Cash <u>Advance</u>	Petty Cash <u>Returned</u>	Balance, December 31, <u>2012</u>
Tax Collector - Treasurer	\$ <u>300</u>	\$ <u>300</u>	\$ <u>-</u>
	\$ <u>300</u>	\$ <u>300</u>	\$ <u>-</u>

STATEMENT OF CHANGE FUNDS

<u>Office</u>	Balance, December 31, <u>2011</u>	Balance, December 31, <u>2012</u>
Tax Collector - Treasurer	\$ <u>250</u>	\$ <u>250</u>
	\$ <u>250</u>	\$ <u>250</u>

**STATEMENT OF DUE FROM STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, December 31, 2011 (Due From)		\$ 9,059
Increased by:		
Deductions Allowed by Tax Collector	\$ 2,500	
Senior Citizens' and Veterans' Deductions Per Tax Billing	<u>199,250</u>	<u>201,750</u>
		210,809
Decreased by:		
Deductions Disallowed by Tax Collector	21,031	
Adjustment - State Audit	12,250	
Cash Receipts	<u>178,219</u>	<u>211,500</u>
Balance, December 31, 2012 (Due To)		\$ <u>691</u>

Year	Balance, December 31, 2011	2012 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	2011	Collections 2012	Senior Citizens' and Veterans' Deductions Allowed	Taxes Cancelled Remitted or Abated	Transferred to Tax Title Lien	Balance, December 31, 2012
2011	\$ 528,428					\$ 525,752				\$ 2,676
2012	-	\$ 53,804,371	\$ 5,815	\$ 21,031	\$ 176,579	\$ 52,844,125	\$ 201,750	\$ 39,897	\$ 668	\$ 568,198
	\$ 528,428	\$ 53,804,371	\$ 5,815	\$ 21,031	\$ 176,579	\$ 53,369,877	\$ 201,750	\$ 39,897	\$ 668	\$ 570,874

Analysis of 2012 Property Tax Levy

TAX YIELD	
General Property Tax	\$ 53,804,371
Real Property Tax	5,815
Added Taxes (54-4-63.1 et seq.)	\$ 53,810,186

Local School Tax (Abstract)
County Taxes (Abstract)
County Open Space (Abstract)
Due County for Added Taxes (54:4-63.1)

Local School Tax (Abstract)	\$	33,334,772
County Taxes (Abstract)	\$	4,033,450
County Open Space (Abstract)		46,557
Due County for Added Taxes (54:4-63.1)		<u>442</u>
		4,080,449
Local Tax for Municipal Purposes		15,695,757
Local Tax - Free Public Library		679,575
Add Additional Tax Levied		<u>19,633</u>
		<u>16,394,965</u>
	\$	53,810,186

**BOROUGH OF DUMONT
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2011	\$ 3,663
Increased by:	
Transferred from Taxes Receivable	<u>668</u>
Balance, December 31, 2012	<u>\$ 4,331</u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, December 31, 2011	<u>\$ 79,526</u>
Balance, December 31, 2012	<u>\$ 79,526</u>

BOROUGH OF DUMONT
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2011</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2012</u>
Licenses				
Alcoholic Beverages		\$ 15,072	\$ 15,072	
Board of Health		189	189	
Borough Clerk		5,228	5,228	
Fees and Permits				
Construction Code Official		147,734	147,734	
Recreation Fees		40,055	40,055	
Board of Health		20,365	20,365	
Borough Clerk		12,627	12,627	
Fire Prevention		15,350	15,350	
Planning and Zoning		710	710	
Police		2,715	2,715	
Construction Code		1,870	1,870	
Fines and Costs - Municipal Court	\$ 20,658	168,959	175,482	\$ 14,135
Interest and Cost on Taxes		94,563	94,563	
Interest on Investments and Deposits		13,030	13,030	
Consolidated Municipal Property Tax Relief		126,301	126,301	
Energy Receipts Tax		1,228,951	1,228,951	
Sale of Cell Tower		148,061	148,061	
Life Hazard Use Fees		11,044	11,044	
Fire Inspections - Additional		22,275	22,275	
Police Outside Services - Administrative Fees		61,016	61,016	
Sale of Recyclables		87,731	87,731	
Monople Rental - DPW Building		34,253	34,253	
PILOT - Senior Citizens Club		15,000	15,000	
Cable Television Franchise Fees	-	219,156	219,156	-
	<u>\$ 20,658</u>	<u>\$ 2,492,255</u>	<u>\$ 2,498,778</u>	<u>\$ 14,135</u>

BOROUGH OF DUMONT
STATEMENT OF DEFERRED CHARGES
N.J.S. 40A:4-53 SPECIAL EMERGENCY AUTHORIZATIONS

<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance, December 31, <u>2011</u>	Budget Appropriation	Balance, December 31, <u>2012</u>
Reassessment of Real Property	250,000	50,000	\$ 250,000	\$ 50,000	\$ 200,000

EXHIBIT A-13

STATEMENT OF DEFERRED CHARGES

	Balance, December 31, <u>2011</u>	Increase in 2012	Budget Appropriation	Balance, December 31, <u>2012</u>
Overexpenditure of Budget Appropriation		\$ 4,728		\$ 4,728
Emergency Appropriations	\$ 103,688	-	\$ 103,688	-
	<u>\$ 103,688</u>	<u>\$ 4,728</u>	<u>\$ 103,688</u>	<u>\$ 4,728</u>

EXHIBIT A-14

STATEMENT OF GRANTS RECEIVABLE

	Balance, December 31, <u>2011</u>	Balance, December 31, <u>2012</u>
Improvements To Veteran's Plaza	\$ 53,164	\$ 53,164
	<u>\$ 53,164</u>	<u>\$ 53,164</u>

BOROUGH OF DUMONT
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance December 31, <u>2011</u>	Budget After Transfer or <u>Modification</u>	Paid or <u>Charged</u>	Transferred to Grant <u>Reserve</u>	Balance <u>Lapsed</u>
Salaries and Wages					
Ethics Board	\$ 180	\$ 180			\$ 180
Rent Leveling Board	90	90			90
Fire		-			
Life Hazard Use Fees	1,735	735			735
Police	72,079	12,079	\$ 12,079		-
Streets and Roads	15,903	32,403	15,903		16,500
Recycling	132	132			132
Public Buildings and Grounds	645	645			645
Board of Health	1	1			1
Public Assistance	139	-			-
Senior Citizens	1,893	-			-
Municipal Court	15	-			-
Uniform Construction Code Officials	48	-	-	-	-
	<u>92,860</u>	<u>46,265</u>	<u>27,982</u>	<u>-</u>	<u>18,283</u>
Other Expenses					
General Administration	12,417	8,511			8,511
Ethics Board	81	81			81
Elections	1,286	1,286			1,286
Financial Administration	46,882	46,882	46,606		276
Assessment of Taxes	1,796	1,796			1,796
Collection of Taxes	1,019	1,019	828		191
Legal Services and Costs					
Borough Attorney - Other Expenses	2,459	2,459	31		2,428
Special Council		95,000	5,841		89,159
Engineering	25,691	15,691	13,732		1,959
Planning Board/Zoning Board	8,053	8,053	8,053		-
Rent Leveling Board	873	873			873
Fire					
Other Expenses	13,362	18,362	8,741		9,621
Life Hazard Use Fees	24	24			24
Police	20,869	20,869	1,463		19,406
Police Reserve	11	11			11
Emergency Management	790	848			848
Municipal Prosecutor		500	500		
Streets and Roads	26,605	26,605	5,206		21,399
Garbage and Trash Removal	114,324	114,324	29,606		84,718
Sewer System	6,903	6,903			6,903
Public Buildings and Grounds	5,646	8,146	8,048		98
Shade Tree	2,248	303			303
Board of Health					
Other Expenses	82	82			82
Other Expenses-Contractual (Shelter)	1,695	1,695			1,695
Environmental Commission	950	-			-
Public Assistance	353	-			-
Senior Citizens	3,164	3,639	-		3,639
Parks and Playgrounds	26	-			-
Celebration of Public Events	2,449	2,449	398		2,051

BOROUGH OF DUMONT
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance December 31, <u>2011</u>	Budget After Transfer or <u>Modification</u>	Paid or <u>Charged</u>	Transferred to Grant <u>Reserve</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)					
Utilities					
Electricity	\$ 27,162	\$ 9,662	\$ 892		\$ 8,770
Street Lighting	22,994	17,494	15,838		1,656
Telephone	4,256	4,256	4,256		-
Gasoline	17,550	4,648	-		4,648
Water	785	785	7		778
Social Security	2,730	-			-
Municipal Court	76	76			76
General Liability	43	118			118
Employee Group Health	44,412	64,579			64,579
Health Benefit Waiver	513	513			513
LOSAP	65,000	65,000	43,800		21,200
Clean Communities Grant	21,633	21,633		\$ 21,633	-
Police Body Armor	4,560	4,560	-	4,560	-
	<u>511,772</u>	<u>579,735</u>	<u>193,846</u>	<u>26,193</u>	<u>359,696</u>
	<u>\$ 604,632</u>	<u>\$ 626,000</u>	<u>\$ 221,828</u>	<u>\$ 26,193</u>	<u>\$ 377,979</u>
2011 Appropriation Reserves		\$ 604,632			
Encumbrances Payable Restored to Appropriation Reserves		21,368			
		<u>\$ 626,000</u>			

**BOROUGH OF DUMONT
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2011	\$ 867,793
Increased by:	
Transfer from 2012 Budget Appropriations	<u>733,497</u>
	1,601,290
Decreased by:	
Encumbrances Payables Restored to Appropriation Reserves	\$ 21,368
Transferred to Accounts Payable	4,152
Cash Disbursements	<u>842,273</u>
	<u>867,793</u>
Balance, December 31, 2012	<u>\$ 733,497</u>

EXHIBIT A-17

STATEMENT OF ACCOUNTS PAYABLE

Increased by:	
Transferred from Encumbrances Payable	<u>\$ 4,152</u>
Balance, December 31, 2012	<u>\$ 4,152</u>

**BOROUGH OF DUMONT
STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance, December 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2012</u>
Reassessment of Real Property	12/29/2011	12/28/2012	\$ 250,000		\$ 250,000	
	12/28/2012	12/18/2013	-	\$ 200,000	-	\$ 200,000
			<u>\$ 250,000</u>	<u>\$ 200,000</u>	<u>\$ 250,000</u>	<u>\$ 200,000</u>
			Renewals	\$ 200,000	\$ 200,000	
			Note Retired	-	50,000	
				<u>\$ 200,000</u>	<u>\$ 250,000</u>	

EXHIBIT A-19

STATEMENT OF MISCELLANEOUS RESERVES

	<u>Balance, December 31, 2011</u>	<u>Increased</u>	<u>Disbursed</u>	<u>Cancelled</u>	<u>Balance, December 31, 2012</u>
Tax Sale Premium	\$ 126,400	\$ 287,000	\$ 239,200		\$ 174,200
Redemption of Tax Sale Certificates		344,884	329,652		15,232
Tax Appeals	74,687	80,000	61,421		93,266
Master Plan	6,955				6,955
DCA Fees	2,289	7,411	7,200		2,500
Marriage Licenses	375	1,700	1,525		550
Homestead Rebate	728	-	-	\$ 335	393
	<u>\$ 211,434</u>	<u>\$ 720,995</u>	<u>\$ 638,998</u>	<u>\$ 335</u>	<u>\$ 293,096</u>
Cash Receipts		\$ 640,995			
Budget Appropriations		80,000			
		<u>\$ 720,995</u>			

EXHIBIT A-20

STATEMENT OF OTHER LIABILITIES

Increased by:	
Cash Receipts - 2013 Library Pension Contribution	\$ 34,511
Balance, December 31, 2012	<u>\$ 34,511</u>

**BOROUGH OF DUMONT
STATEMENT OF PREPAID TAXES**

Balance, December 31, 2011	\$ 176,579
Increased by:	
Collection of 2013 Taxes	<u>174,881</u>
	351,460
Decreased by:	
Application to 2012 Taxes	<u>176,579</u>
Balance, December 31, 2012	<u>\$ 174,881</u>

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2011	\$ 250
Increased by:	
Cash Receipts	<u>26,655</u>
	26,905
Decreased by:	
Refunded in 2012	<u>26,655</u>
Balance, December 31, 2012	<u>\$ 250</u>

STATEMENT OF LOCAL SCHOOL DISTRICT TAX PAYABLE

Balance, December 31, 2011	\$ 10
Increased by:	
Levy - Calendar Year	<u>33,334,772</u>
	33,334,782
Decreased by:	
Cancellation	\$ 10
Payments	<u>33,334,772</u>
	<u>33,334,782</u>
Balance, December 31, 2012	<u>\$ -</u>

**BOROUGH OF DUMONT
STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2011		\$	2,015
Increased by:			
2012 Levy	\$ 4,033,450		
2012 County Open Space	46,557		
Added Taxes	<u>442</u>		
			<u>4,080,449</u>
			4,082,464
Decreased by:			
Payments	4,081,772		
Cancelled	<u>250</u>		
			<u>4,082,022</u>
Balance, December 31, 2012		\$	<u>442</u>

EXHIBIT A-25

SCHEDULE OF APPROPRIATED GRANT RESERVES

	Balance, December 31, <u>2011</u>	Transfer from Appropriation <u>Reserves</u>	<u>Expended</u>	Balance, December 31, <u>2012</u>
Clean Communities Grant	\$ 6,911	\$ 21,633	\$ 6,911	\$ 21,633
Domestic Violence	6,605		1,290	5,315
Alcohol Education and Rehabilitation Fund	2,559		700	1,859
State Recycling Grant	39,565		1,991	37,574
Stormwater Drainage	14,021		1,849	12,172
Drunk Driving Enforcement Fund	5,115		5,115	-
Body Armor Grant	5,298	4,560	9,295	563
OEM Training	1,531		1,513	18
Recycling Tonnage	5,509		5,509	-
FEMA	7,101		5,308	1,793
CDBG - Veteran's Plaza	52,927			52,927
Green Communities	3,000			3,000
Bergen County Flu Vaccine	<u>25</u>	<u>-</u>	<u>-</u>	<u>25</u>
	<u>\$ 150,167</u>	<u>\$ 26,193</u>	<u>\$ 39,481</u>	<u>\$ 136,879</u>

BOROUGH OF DUMONT
STATEMENT OF UNAPPROPRIATED RESERVES FOR GRANTS

	Balance, December 31, <u>2011</u>	Increased by <u>Receipts</u>	Realized as Budget <u>Revenue</u>	Balance, December 31, <u>2012</u>
Clean Community	\$ 24,068	\$ 23,673	\$ 24,068	\$ 23,673
Recycling Tonnage	15,465	22,389	15,465	22,389
Police Body Armor Fund	3,397	5,581	3,397	5,581
Alcohol Education		270		270
Green Community	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
	<u>\$ 42,930</u>	<u>\$ 53,413</u>	<u>\$ 42,930</u>	<u>\$ 53,413</u>

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**BOROUGH OF DUMONT
STATEMENT OF TRUST CASH**

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>	<u>Unemployment Insurance Trust Fund</u>
Balance, December 31, 2011	\$ 16,321	\$ 527,069	\$ 36,505
Increased by Receipts:			
Escrow Deposits		\$ 22,608	
Interest on Investments and Deposits		255	\$ 33
Miscellaneous Reserves		700,094	
License Fees Collected	6,512		
Receipts from Current Fund			27,000
Receipts from Payroll Service Provider			9,620
Due to State of New Jersey	1,063		
Payroll and Payroll Deductions	-	10,120,873	-
	<u>7,575</u>	<u>10,843,830</u>	<u>36,653</u>
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11			
Payment to Current Fund	3,360		
Escrow Deposits	6,172	9,843	
Payments to State of NJ		37,280	
Payroll and Payroll Deductions Payable	1,063	10,113,662	21,319
Miscellaneous Reserves	-	650,461	-
	<u>10,595</u>	<u>10,811,246</u>	<u>21,319</u>
Balance, December 31, 2012	\$ 13,301	\$ 559,653	\$ 51,839

**BOROUGH OF DUMONT
STATEMENT OF DUE TO CURRENT FUND - OTHER TRUST FUND**

Balance, December 31, 2011	\$ 9,610
Increased by:	
Interest on Investments and Deposits	<u>255</u>
	9,865
Decreased by:	
Payments to Current Fund	<u>9,843</u>
Balance, December 31, 2012	<u>\$ 22</u>

EXHIBIT B-3

STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance, December 31, 2011	\$ 10,003
Increased by:	
Animal Control Fees	<u>6,512</u>
	16,515
Decreased by:	
Cash Disbursements	\$ 3,360
Statutory Excess Due to Current Fund	<u>3,488</u>
	<u>6,848</u>
Balance, December 31, 2012	<u>\$ 9,667</u>

EXHIBIT B-4

**STATEMENT OF DUE TO STATE OF NEW JERSEY
DOG REGULATION FEES**

Balance, December 31, 2011	\$ 146
Increased by:	
Registration Fees - Due State of New Jersey	<u>1,063</u>
	1,209
Decreased by:	
Payments	<u>1,063</u>
Balance, December 31, 2012	<u>\$ 146</u>

TRUST FUNDS

BOROUGH OF DUMONT
STATEMENT OF DUE TO CURRENT FUND - ANIMAL CONTROL FUND

Balance, December 31, 2011	\$ 6,172
Increased by:	
Statutory Excess	<u>3,488</u>
	9,660
Decreased by:	
Payments to Current Fund	<u>6,172</u>
Balance, December 31, 2012	<u>\$ 3,488</u>

STATEMENT OF ESCROW DEPOSITS

Balance, December 31, 2011	\$ 63,665
Increased by:	
Cash Receipts	<u>22,608</u>
	86,273
Decreased by:	
Cash Disbursements	<u>37,280</u>
Balance, December 31, 2012	<u>\$ 48,993</u>

STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE EXPENDITURES

Balance, December 31, 2011	\$ 37,144
Increased by:	
Payroll Deductions	\$ 9,657
Interest on Investments and Deposits	33
Current Fund Budget Appropriation	<u>27,000</u>
	<u>36,690</u>
	73,834
Decreased by:	
Unemployment Claims	<u>23,928</u>
Balance, December 31, 2012	<u>\$ 49,906</u>

**BOROUGH OF DUMONT
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2012</u>
Fire Prevention Fees	\$ 11,966	\$ 21,728	\$ 5,896	\$ 27,798
Recreation Commission	182,926	456,943	451,497	188,372
Tax Sale Premiums	200			200
Sidewalks	5,718	1,500	500	6,718
Maintenance Bond	11,155			11,155
POAA	4,311	1,206		5,517
Drug and Alcohol	29,910	7,688	10,932	26,666
Police Outside Services	79,847	181,947	181,636	80,158
Police Donations	426			426
Shade Tree	5,713	1,100		6,813
Snow Emergency	40,494	27,982	-	68,476
	<u>\$ 372,666</u>	<u>\$ 700,094</u>	<u>\$ 650,461</u>	<u>\$ 422,299</u>

EXHIBIT B-9

STATEMENT OF ACCRUED SALARIES/WAGES AND PAYROLL DEDUCTIONS PAYABLE

Balance, December 31, 2011	\$ 81,128
Increased by:	
Cash Receipts	<u>10,120,873</u>
	10,202,001
Decreased by:	
Cash Disbursements	<u>10,113,662</u>
Balance, December 31, 2012	<u>\$ 88,339</u>

EXHIBIT B-10

STATEMENT OF DUE TO STATE OF NEW JERSEY UNEMPLOYMENT INSURANCE FUND

Increased by:	
Unemployment Claims Due to State of New Jersey	\$ 23,928
Decreased by:	
Unemployment Claims Paid by:	
Unemployment Insurance Account	<u>21,319</u>
Balance, December 31, 2012	<u>\$ 2,609</u>

BOROUGH OF DUMONT
STATEMENT OF DUE FROM PAYROLL SERVICE PROVIDER

Balance, December 31, 2011	\$ 639
Increased by:	
Payroll Deductions Transferred to Payroll Service Provider	<u>9,657</u>
	10,296
Decreased by:	
Cash Receipts from Payroll Service Provider	<u>9,620</u>
Balance, December 31, 2012	<u>\$ 676</u>

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GENERAL CAPITAL FUND

BOROUGH OF DUMONT
STATEMENT OF GENERAL CAPITAL CASH - COLLECTOR-TREASURER

Balance, December 31, 2011		\$ 516,613
Increased by Receipts:		
Bond Anticipation Notes Issued	\$ 2,120,359	
Interest on Investments and Deposits	23	
Premium on Bond Anticipation Notes	9,097	
Reserve for Payment of Debt	137,310	
Grant Receipts	140,459	
Loan Proceeds	1,335,947	
Receipts from Current Fund	<u>198,772</u>	
		<u>3,941,967</u>
		4,458,580
Decreased by:		
Improvement Authorizations	216,547	
Contracts Payable	3,248,926	
Payment of Bond Anticipation Notes	195,359	
Payments to Current Fund	<u>25,000</u>	
		<u>3,685,832</u>
Balance, December 31, 2012		<u>\$ 772,748</u>

**BOROUGH OF DUMONT
ANALYSIS OF GENERAL CAPITAL CASH
AS OF DECEMBER 31, 2012**

Fund Balance	\$ 70,206
Contracts Payable	2,247,247
Grants Receivable	(293,175)
Loan Receivable	(2,479,053)
Deferred Charges to Future Taxation - Cancelled Receivables	(78,581)
Due To Current Fund	23
Reserve for Payment of Notes	7,895
Reserve for Payment of Bonds	137,310
Reserve for Preliminary Costs	25,000
Capital Improvement Fund	36,600

Improvement Authorizations:

<u>Ord. No.</u>	<u>Improvement Description</u>	
1250	Impvts of Various Parks and Acq. Of Equipment	(4,908)
1275	Unfunded Pension Liability	(500)
1292/1315	Repaving of Roads	6,748
1299/1320	Various Public Improvements	4,150
1321	Acquisition of Street Sweeper	13,690
1323	Reconstruction of Pershing Ave	165,660
1344/1375/1407	Various Storm Sewer Improvements	(670,000)
1349	2007 Road Program	102,036
1353	Acquisition of a Fire Truck	11,393
1363	Resurfacing of Howard Street	145,706
1364	Various Improvements	18,163
1380	Park Improvements	232,594
1393	Various General Improvements	212,226
1400	Reconstruction of Short Street	33,254
1401	Reconstruction of Bussell Court	75,793
1409	Library and Sr. Ctr. Handicap Access	1,187
1416	Impvts. To Veteran's Memorial Park and Other Parks and Fields	275,803
1421	Various Capital Improvements	148,958
1431	DPW Garage Site Improvements	10,712
1434	Various Capital Improvements	267,791
1436	Roosevelt Ave Flood Project	98,774
1438	Twin Boro Field Remediation	16,908
1447	Installation of New Walking Path	(11,949)
1448	Improvements to DePew Street	(57,763)
1450	Acq. And Installation of Air Quality Equipment	2,850
		<u>\$ 772,748</u>

BOROUGH OF DUMONT
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2011		\$ 18,890,743
Increased by:		
Pension Refunding Bonds Issued		<u>882,000</u>
		19,772,743
Decreased by:		
Budget Appropriations		
Serial Bonds	\$ 640,000	
Green Trust Loans	9,001	
NJEIT Loan Payable	335,618	
Pension Obligation Loan	28,000	
Pension Loan Refunded	<u>822,000</u>	
		<u>1,834,619</u>
Balance, December 31, 2012		<u>\$ 17,938,124</u>

BOROUGH OF DUMONT
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance, December 31, 2011	2012 Authorizations	Grant Receipts	2012 Budget Appropriation	Balance, December 31, 2012	Bond Anticipation Notes	Analysis of Balance	
								Expenditures	Unexpended Improvement Authorizations
1250	Impvts of Various Parks and Acq. Of Equip.	\$ 4,908			\$ 4,908			\$ 4,908	
1275	Refund Unfunded Pension Liab	17,000			17,000			500	16,500
1323	Reconstruction of Pershing	142,105			26,000	116,105	\$ 116,105		
1375	Sewer System Improvements	385,000				385,000		385,000	
1393	Various General Improvements	760,000			28,900	731,100			
1407	Acq. of Easements and Prop Relating to Storm Water	285,000				285,000		285,000	
1409	Library and Senior Center Handicap Access	213,750		\$ 140,459		73,291	73,291		
1416	Impvts to Veteran's Memorial Park and Parks and Other Fields	174,800				174,800			
1421	Various Capital Improvements	807,500				807,500			
1431	DPW Garage Site Improvements	228,000				228,000			
1432	Phase III Storm Sewer System Improvements	218,500				218,500			
1434	Various Capital Improvements	414,284				414,284			
1436	Roosevelt Ave Flood Project	114,000				114,000			
1438	Twin Boro Field Remediation	1,140,000				1,140,000			475
1447	Installation of New Walking Path		\$ 152,000			152,000		11,949	140,051
1448	Improvements to DePew Street		142,850			142,850		57,763	85,087
1450	Acq. And Installation of Air Quality Equip.	-	61,750			61,750		-	61,750
		<u>\$ 4,904,847</u>	<u>\$ 356,600</u>	<u>\$ 140,459</u>	<u>\$ 54,900</u>	<u>\$ 5,066,088</u>	<u>\$ 4,017,105</u>	<u>\$ 745,120</u>	<u>\$ 303,863</u>

Bond Anticipation Notes

Less: Excess Note Proceeds Ord. No. 1323

\$ 4,025,000
7,895

\$ 4,017,105

Improvement Authorizations - Unfunded

Less: Unexpended Proceeds on Bond Anticipation Notes Issued

Ord. No. 1323	\$ 142,105
Ord. No. 1393	212,226
Ord. No. 1409	1,187
Ord. No. 1416	174,800
Ord. No. 1421	148,958
Ord. No. 1431	10,712
Ord. No. 1434	267,791
Ord. No. 1436	98,774
Ord. No. 1438	16,908
	<u>1,073,461</u>

\$ 303,863

**BOROUGH OF DUMONT
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2011</u>	Grant Awards and Adjustments	Cash Receipts	Balance, December 31, <u>2012</u>
Community Development				
Ord No. 1354 Improvements to Memorial Park & C. Deangeles Park	\$ 123,762			\$ 123,762
Ord. No. 1409 Library and Senior Center Handicap Access		\$ 140,459	\$ 140,459	
Bergen County Open Space				
Ord. No. 1380 Improvements to Veterans Memorial Park	12,263			12,263
Ord. No. 1416 Improvements to Veterans Memorial Park and Other Fields	157,150			157,150
Ord. No. 1447 Installation of New Walking Path		65,000		65,000
Department of Transportation				
Ord. No. 1448 Improvements to Depew Street	-	142,850	-	142,850
	<u>\$ 293,175</u>	<u>\$ 348,309</u>	<u>\$ 140,459</u>	<u>\$ 501,025</u>
		Reserve for Receivable		\$ 207,850
		Pledged to Ordinance		<u>293,175</u>
				<u>\$ 501,025</u>

EXHIBIT C-7

STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN RECEIVABLE

Balance, December 31, 2011	\$ 3,815,000
Decreased by:	
Cash Receipts	<u>1,335,947</u>
Balance, December 31, 2012	<u>\$ 2,479,053</u>

**BOROUGH OF DUMONT
STATEMENT OF DUE FROM/TO CURRENT FUND**

Balance, December 31, 2011 (Due From)	\$ 9,194
Increased by:	
Budget Appropriation - Current Fund	
Note Principal	\$ 54,900
Deferred Charges - Cancelled Receivables	54,678
Capital Improvement Fund	80,000
Payments to Current Fund	<u>25,000</u>
	<u>214,578</u>
	223,772
Decreased by:	
Interest on Deposits	23
Anticipated as Revenue in Current Fund	
General Capital Surplus	25,000
Receipts from Current Fund	<u>198,772</u>
	<u>223,795</u>
Balance, December 31, 2012 (Due To)	<u>\$ 23</u>

EXHIBIT C-9

**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION -
CANCELLED RECEIVABLES**

Balance, December 31, 2011	\$ 133,259
Decreased by:	
2011 Budget Appropriation	<u>54,678</u>
Balance, December 31, 2012	<u>\$ 78,581</u>

EXHIBIT C-10

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Increased by:	
Cash Receipts	<u>\$ 137,310</u>
Balance, December 31, 2012	<u>\$ 137,310</u>

BOROUGH OF DUMONT
STATEMENT OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, December 31, 2011	Increased	Decreased	Balance, December 31, 2012
			Date	Amount					
General Improvements	6/1/1999	\$ 2,973,000	2/15/2013	\$ 403,000	5.05%	\$ 763,000		\$ 360,000	\$ 403,000
General Improvements	5/1/2003	3,250,000	5/1/2013	160,000	3.25-3.55%				
			5/1/2014	580,000					
			5/1/2015	600,000					
			5/1/2016	610,000		2,130,000		180,000	1,950,000
General Improvements	7/15/2010	8,530,000	7/15/2013	100,000	1.50%				
			7/15/14-16	100,000	2.00%				
			7/15/2017	750,000	2.25%				
			7/15/2018	775,000	2.50%				
			7/15/2019	800,000	2.75%				
			7/15/2020	825,000	3.00%				
			7/15/2021	840,000	3.13%				
			7/15/2022	880,000	3.25%				
			7/15/2023	890,000	3.50%				
			7/15/2024	1,075,000	4.00%				
			7/15/2025	1,095,000	4.00%	8,430,000	-	100,000	8,330,000
						\$ 11,323,000	\$ -	\$ 640,000	\$ 10,683,000

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**BOROUGH OF DUMONT
STATEMENT OF BOND ANTICIPATION NOTES**

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2011	Increased	Decreased	Balance, December 31, 2012
1323	Reconstruction of Pershing	8/2/2007	7/1/2011 6/28/2012	6/29/2012 6/27/2013	1.50% 1.20%	\$ 150,000	\$ 124,000	\$ 150,000	\$ 124,000
1393	Various General Improvements	12/22/2009	7/1/2011 6/28/2012	6/29/2012 6/27/2013	1.50% 1.20%	760,000	731,100	760,000	731,100
1409	Library and Senior Center Handicap	7/1/2011	7/1/2011 6/28/2012	6/29/2012 6/27/2013	1.50% 1.20%	213,750	73,291	213,750	73,291
1416	Park Improvements	7/1/2011	7/1/2011 6/28/2012	6/29/2012 6/27/2013	1.50% 1.20%	174,800	174,800	174,800	174,800
1421	Various Capital Improvements	7/1/2011	7/1/2011 6/28/2012	6/29/2012 6/27/2013	1.50% 1.20%	801,450	807,500	801,450	807,500
1431	DPW Garage Site Improvements	6/28/12	6/28/2012	6/27/2013	1.20%	228,000	228,000	228,000	228,000
1432	Storm Sewer Improvements - Phase III	6/28/12	6/28/2012	6/27/2013	1.20%	218,500	218,500	218,500	218,500
1434	Various Capital Improvements	6/28/12	6/28/2012	6/27/2013	1.20%	414,284	414,284	414,284	414,284
1436	Various Storm Water Sewer Improvements	6/28/12	6/28/2012	6/27/2013	1.20%	114,000	114,000	114,000	114,000
1438	Various Improvements - Twin Boro Field	6/28/12	6/28/2012	6/27/2013	1.20%	-	1,139,525	-	1,139,525
						<u>\$ 2,100,000</u>	<u>\$ 4,025,000</u>	<u>\$ 2,100,000</u>	<u>\$ 4,025,000</u>
						Renewals	\$ 1,904,641	\$ 1,904,641	
						Paid by Budget Appropriation	54,900	54,900	
						Excess Note Proceeds	140,459	140,459	
						Notes Issued	<u>2,120,359</u>	<u>-</u>	
							<u>\$ 4,025,000</u>	<u>\$ 2,100,000</u>	

BOROUGH OF DUMONT
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	2012 Authorizations						
		Balance, December 31, 2011		Capital Imprvt. Fund	Charges to Future Taxation Unfunded	Contracts Payable Cancelled	Deferred Expended	
		Funded	Unfunded					
1275	Unfunded Pension Liability		\$ 17,000		\$ 500		\$ 6,748	\$ 16,500
1292/1315	Repaving of Roads	\$ 6,748					4,150	
1299/1320	Various Improvements and Acquisitions	4,150					13,690	
1321	Acquisition of Street Sweeper	13,690					23,555	
1323	Reconstruction of Pershing Ave	25,430	142,105		1,875			142,105
1344/1375/1407	Various Storm Sewer Improvements		630,330		630,330			
1349	2007 Road Program						102,036	
1353	Acquisition of a Fire Truck	102,036					11,393	
1363	Resurfacing of Howard Street	11,393					145,706	
1364	Various Improvements	145,706				\$ 16,293	18,163	
1380	Park Improvements	1,870					232,594	
1393	Various General Improvements	254,233			21,639			212,226
1400	Reconstruction of Short Street		214,101		1,875		33,254	
1401	Reconstruction of Bussell Court	33,254					75,793	
1409	Library and Sr. Ctr. Handicap Access	75,793						
1416	Impvmts. To Veteran's Memorial Park and Other Parks and Fields		940			247		1,187
1421	Various Capital Improvements	161,141	174,800		60,138		101,003	174,800
1431	DPW Garage Site Improvements		151,249		2,291			148,958
1432	Phase III Storm Sewer Improvements	70,411			59,699			10,712
1434	Various Capital Improvements	5,130			5,130			-
1436	Roosevelt Ave Flood Project	270,950			3,159			267,791
1438	Twin Boro Field Remediation	113,710			14,936			98,774
1447	Installation of New Walking Path	65,318			47,935			17,383
1448	Improvements to DePew Street		\$ 8,000	\$ 152,000	19,949			140,051
1450	Acq. And Installation of Air Quality Equip.			7,150	64,913			85,087
		-	-	3,250	400	-	2,850	61,750
		\$ 835,444	\$ 1,856,044	\$ 18,400	\$ 356,600	\$ 16,540	\$ 770,935	\$ 1,377,324

Cash Disbursed \$ 216,547
 Contracts Payable 718,222

\$ 934,769

**BOROUGH OF DUMONT
STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2011			\$ 4,794,491
Increased by:			
Charges to Improvement Authorizations			<u>718,222</u>
			5,512,713
Decreased by:			
Payments	\$ 3,248,926		
Cancellations	<u>16,540</u>		
			<u>3,265,466</u>
Balance, December 31, 2012			<u>\$ 2,247,247</u>

STATEMENT OF GREEN TRUST FUND LOAN PAYABLE

Balance, December 31, 2011		\$ 174,049
Decreased by:		
2012 Budget Appropriation		<u>9,001</u>
Balance, December 31, 2012		<u>\$ 165,048</u>

**STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE
TRUST LOAN PAYABLE**

Balance, December 31, 2011		\$ 6,509,694
Decreased by:		
2012 Budget Appropriation		<u>335,618</u>
Balance, December 31, 2012		<u>\$ 6,174,076</u>

**BOROUGH OF DUMONT
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Increased by:			
Current Fund Budget Appropriation		\$	80,000
Decreased by:			
Appropriated to Finance Improvement Authorizations		\$	18,400
Transferred to Reserve for Preliminary Cost			<u>25,000</u>
			<u>43,400</u>
Balance, December 31, 2012		\$	<u>36,600</u>

EXHIBIT C-19

**STATEMENT OF RESERVE FOR PRELIMINARY COSTS-
BOROUGH HALL NEEDS ASSESSMENT**

Increased by:			
Transferred from Capital Improvement Fund		\$	<u>25,000</u>
Balance, December 31, 2012		\$	<u>25,000</u>

EXHIBIT C-20

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Number	Improvement Description	Balance, December 31, 2011	2012 Improvement Authorizations	Bond Anticipation Notes Issued	Balance, December 31, 2012
1250	Impvts of Various Parks and Acq. Of Equip	\$ 4,908			\$ 4,908
1275	Refund Unfunded Pension Liab	17,000			17,000
1375	Sewer System Improvements	385,000			385,000
1407	Acq. Of Easements and Prop Relating to Storm Water	285,000			285,000
1421	Various Capital Improvements	6,050		\$ 6,050	
1431	DPW Garage Site Improvements	228,000		228,000	
1432	Phase III Storm Sewer Improvements	218,500		218,500	
1434	Various Capital Improvements	414,284		414,284	
1436	Roosevelt Ave Flood Project	114,000		114,000	
1438	Twin Boro Field Remediation	1,140,000		1,139,525	475
1447	Installation of New Walking Path		\$ 152,000		152,000
1448	Improvements to DePew Street		142,850		142,850
1450	Acq. And Installation of Air Quality Equip.	-	61,750	-	61,750
		<u>\$ 2,812,742</u>	<u>\$ 356,600</u>	<u>\$ 2,120,359</u>	<u>\$ 1,048,983</u>

PUBLIC ASSISTANCE FUND

**BOROUGH OF DUMONT
STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER**

Balance, December 31, 2011		\$ 9,508
Increased by:		
Donations	\$ 1,303	
Interest	<u>1</u>	
		<u>1,304</u>
		10,812
Decreased by:		
Expenditures	560	
Payments to Current Fund	<u>1</u>	
		<u>561</u>
Balance, December 31, 2012		<u>\$ 10,251</u>

STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

Balance, December 31, 2011		\$ 9,507
Increased by:		
Revenues		<u>1,303</u>
		10,810
Decreased by:		
Expenditures		<u>560</u>
Balance, December 31, 2012		<u>\$ 10,250</u>

**BOROUGH OF DUMONT
STATEMENT OF PUBLIC ASSISTANCE REVENUES**

Revenues	
Donations	\$ 1,303
Receipts	
Interest Income	<u>1</u>
Total Revenues/Receipts	<u>\$ 1,304</u>

EXHIBIT D-4

STATEMENT OF PUBLIC ASSISTANCE EXPENDITURES

Expenditures:	
Current Year Assistance	
Non-Reimbursable Expenditures	\$ 560
Disbursements:	
Payments to Current Fund	<u>1</u>
Total Expenditures/Disbursements	<u>\$ 561</u>

EXHIBIT D-5

STATEMENT OF DUE TO CURRENT FUND

Balance, December 31, 2011	\$ 1
Increased by:	
Interest Income	<u>1</u>
	2
Decreased by:	
Payments to Current Fund	<u>1</u>
Balance, December 31, 2012	<u>\$ 1</u>

**BOROUGH OF DUMONT
BERGEN COUNTY, NEW JERSEY**

**PART II
GOVERNMENT AUDITING STANDARDS
AND
SINGLE AUDIT
YEAR ENDED DECEMBER 31, 2012**

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Dumont
Dumont, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Dumont, as of and for the year ended December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2013. Our report on the financial statements – regulatory basis indicated that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was qualified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund.

Internal Control over Financial Reporting

Management of the Borough of Dumont is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit of the financial statements, we considered the Borough of Dumont's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Dumont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Dumont's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2012-1 that we consider to be a significant deficiency in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Dumont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2012-1.


We also noted certain matters that we reported to management of the Borough of Dumont in Part III of this report of audit entitled; "Letter of Comments and Recommendations"

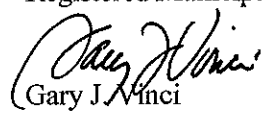
Borough of Dumont's Responses to Findings

The Borough of Dumont's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Borough of Dumont's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Dumont's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Dumont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

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REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY U.S. OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 04-04

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Dumont
Dumont, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Dumont's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of Borough of Dumont's major state programs for the year ended December 31, 2012. The Borough of Dumont's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Dumont's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New

Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Dumont's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Borough of Dumont's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Dumont complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2012.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as item 2012-2. Our opinion on each major state program is not modified with respect to these matters.

The Borough of Dumont's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Borough of Dumont's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Borough of Dumont is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Dumont's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Dumont's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

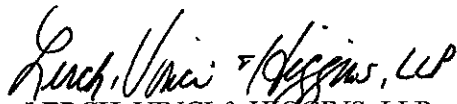
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2012-2 that we consider to be a significant deficiency.


The Borough of Dumont's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Borough of Dumont's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04

We have audited the financial statements - regulatory basis of the Borough of Dumont as of and for the year ended December 31, 2012, and the related notes to the financial statements and have issued our report thereon dated June 28, 2013, which contained a modified opinion on those financial statements because they were not prepared and presented in accordance with accounting principles generally accepted in the United States of America and also contained a modified opinion on those financial statements prepared and presented in accordance with the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements as a whole.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
June 28, 2013

BOROUGH OF DUMONT
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Federal Program</u>	<u>CFDA Number</u>	<u>Grant Receipts</u>	<u>Grant Award</u>	<u>Balance, January 1, 2012</u>	<u>Revenue</u>	<u>Expended</u>	<u>Balance, December 31, 2012</u>	<u>Cumulative Expenditures</u>
Community Development Block Grant:								
Improvements to Veteran's Plaza	14.218	\$ 140,459	\$ 91,200	\$ (237)	\$ 140,459	140,459	\$ (237)	\$ 38,273
Library and Senior Center Handicap Access	14.218	\$ 140,459	140,459					140,459
Office of Justice Programs								
Body Armor	*			1,467		1,467		*
Department of Transportation								
Improvements to Depew Street	20.205		142,850					-
Department of Environmental Protection								
Green Communities Grant (Consolidated Forest Management)	10.664		3,000	3,000			3,000	*
Department of Homeland Security								
Federal Emergency Management Agency	97.036	130,839			130,839	130,839		130,839
Federal Emergency Management Agency	97.036		65,864	7,101	-	5,308	1,793	64,071
				<u>\$ 11,331</u>	<u>\$ 271,298</u>	<u>\$ 278,073</u>	<u>\$ 4,556</u>	

This schedule is not subject to a single audit in accordance with OMB Circular A-133.

* Not Available

BOROUGH OF DUMONT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Receipts</u>	<u>Balance, January 1, 2012</u>	<u>Revenue</u>	<u>Expended</u>	<u>Balance, December 31, 2012</u>	<u>Cumulative Expenditures</u>
Division of Criminal Justice								
Body Armor	1020-718-066-1020-001-YCJS-6120	2012	\$ 5,581	\$ 3,397	\$ 5,581		\$ 5,581	
Body Armor	1020-718-066-1020-001-YCJS-6120	2011					3,397	*
Body Armor	1020-718-066-1020-001-YCJS-6120	2010		4,560		\$ 3,997	563	*
Body Armor	1020-718-066-1020-001-YCJS-6120	2008		3,204		3,204		*
Body Armor	1020-718-066-1020-001-YCJS-6120	2007		627		627		\$ 6,009
Department of Law and Public Safety								
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	2009		1,935		1,935		*
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	2008		686		686		1,978
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	2008		2,294		2,294		*
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	2007		200		200		14,723
NUJEM SLAHEOP Grant	1110-448-031020-22	2004		1,531		1,513	18	*
Department of Environmental Protection								
Clean Communities Program	4900-765-178910-60	2012	23,673		23,673		23,673	
Clean Communities Program	4900-765-178910-60	2011		24,068		1,312	22,756	1,312
Clean Communities Program	4900-765-178910-60	2010		21,633			21,633	*
Clean Communities Program	4900-765-178910-60	2009		6,911		6,911		24,454
State Recycling Fund	*	2012	22,389		22,389		22,389	
State Recycling Fund	*	2011		15,465			15,465	*
State Recycling Fund	*	2009		17,715			17,715	*
State Recycling Fund	*	2008		7,588			7,588	*
State Recycling Fund	*	2006		7,331			7,331	*
State Recycling Fund	*	2007		6,931		1,991	4,940	*
State Recycling Fund	*	2008		2,247			2,247	*
Stormwater Management Grant	*	2007		3,007			3,007	*
Stormwater Management Grant	*	2005		8,767		1,849	6,918	*
Water Resources Planning - Wastewater	4860-150-093050-60	2010	1,001,960		1,001,960	1,001,960		1,001,960
Administrative Offices of the Courts								
Alcohol Education and Rehabilitation	9735-760-060000-60	2012	270		270		270	*
Alcohol Education and Rehabilitation	9735-760-060000-60	2007		395			395	*
Alcohol Education and Rehabilitation	9735-760-060000-60	2006		205			205	*
Alcohol Education and Rehabilitation	9735-760-060000-60	2005		250			250	*
Alcohol Education and Rehabilitation	9735-760-060000-60	2002		434			434	*
Alcohol Education and Rehabilitation	9735-760-060000-60	1998		746		171	575	*
Alcohol Education and Rehabilitation	9735-760-060000-60	1995		529		529		879
Domestic Violence Training	*	2008		500			500	*
Domestic Violence Training	*	2007		3,500			3,500	*
Domestic Violence Training	*	2005		2,605		1,290	1,315	*
Total State Financial Assistance				149,261	1,053,873	1,030,469	172,665	

BOROUGH OF DUMONT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

	Account Number	Grant Year	Grant Receipts	Balance, January 1, 2012	Revenue	Expended	Balance, December 31, 2012	Cumulative Expenditures
State Grant Program								
Other Financial Assistance								
Bergen County Utilities Authority Municipal Recycling Assistance Program	*	2007		\$ 5,509	-	5,509	\$ -	*
Total Other Financial Assistance				5,509	-	5,509	-	
Total State and Other Financial Assistance				\$ 154,770	\$ 1,053,873	\$ 1,035,978	\$ 172,665	

* Not Available

BOROUGH OF DUMONT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2012

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Dumont. The Borough is defined in Note 1(A) to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Borough's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance revenues are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 130,839	\$ 51,913	\$ 182,752
General Capital Fund	<u>140,459</u>	<u>1,001,960</u>	<u>1,142,419</u>
Total Financial Awards	<u>\$ 271,298</u>	<u>\$ 1,053,873</u>	<u>\$ 1,325,171</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Borough's fiscal year and grant program year.

BOROUGH OF DUMONT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2012

NOTE 5 STATE LOANS OUTSTANDING

The Borough's state loans outstanding at December 31, 2012, which are not required to be reported on the schedules of expenditures of state financial assistance, are as follows:

Loan Program

Green Trust Fund	
Multi Park Improvements	\$ 165,048
NJ Environmental Infrastructure Trust	
Trust Loan - 2007	1,425,000
Fund Loan - 2007	1,258,540
Trust Loan - 2010	895,000
Fund Loan - 2010	<u>2,595,536</u>
	<u>\$ 6,339,124</u>

**BOROUGH OF DUMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements

Qualified, Presentation of Unaudited LOSAP Fund

Internal control over financial reporting:

1) Material weakness(es) identified

_____ yes X no

2) Significant deficiency(ies) that are not considered to be material weakness(es)?

X yes _____ none

Noncompliance material to the financial statements noted?

X yes _____ no

Federal Awards Section

NOT APPLICABLE

State Awards Section

Dollar threshold used to distinguish type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?

_____ yes X no

Type of auditors' report issued on compliance for major programs: Unmodified

Internal Control over major programs:

1) Material weakness (es) identified?

_____ yes X no

2) Significant deficiency(ies) identified that are not considered to be material weaknesses?

X yes _____ none reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular Letter 04-04?

X yes _____ no

Identification of major programs:

State Grant/Project Number(s)

Name of State Program

4860-150-093050-60

NJ Department of Environmental Protection:

Wastewater Treatment Grant

**BOROUGH OF DUMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

Finding 2012-1 – Our audit noted that there were capital project contracts for the field remediation and storm/sewer improvements totaling \$600,105 which were not encumbered in the Borough's year end financial reports. In addition, there were open orders in the Borough's improvement authorization ledger totaling \$250,276 which were not valid commitments.

Criteria - N.J.A.C. 5:30-5.4 Encumbrance Accounting
Local Public Contracts Law

Condition – The Borough's general capital improvement authorization subsidiary ledger did not report authorized and approved contracts of \$600,105. In addition, invalid open purchase orders totaling \$250,276 were included in the Borough's improvement authorization ledger.

Context – Improvement (project) authorization balances are not accurately stated.

Cause – Contracts and/or change orders were not encumbered when said contracts and change orders were awarded by the governing body. In addition, open purchase orders are not periodically reviewed for validity and adjusted accordingly.

Effect – Improvement authorization balances may be under/overstated.

Recommendation – Procedures be implemented to ensure that all General Capital contracts, and change orders awarded by the Governing Body, are recorded in a timely manner. Furthermore, purchase orders be reviewed for validity and appropriate action taken to adjust orders to reflect actual amounts owed to vendors.

Views of Responsible Officials and Planned Corrective Action – Management has reviewed this finding and has indicated it will review and revise its procedures to ensure that corrective action is taken.

**BOROUGH OF DUMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2012**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB Circular 04-04.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

BOROUGH OF DUMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2012

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB Circular 04-04.

CURRENT YEAR STATE AWARDS

Finding 2012-2

Our audit noted that there were capital project contracts for storm/sewer improvements totaling \$600,105 which were not encumbered in the Borough's year end financial reports. In addition, there were open purchase orders reported of \$104,132 for engineering services on these storm/sewer improvements which were not valid commitments.

Information on State Program

4860-150-093050-60 Water Resources Planning – Wastewater

Condition – The Borough's general capital improvement authorization subsidiary ledger did not report authorized and approved contracts of \$600,105. In addition, open purchase orders of \$104,132 were included in the improvement authorization subsidiary ledger for this project which were not valid commitments.

Context – Project authorization balance is not accurately stated.

Cause – Contracts and/or change orders were not encumbered when said contracts and change orders were awarded by the governing body. In addition, open purchase orders are not periodically reviewed for validity and adjusted accordingly.

Effect – Improvement authorization balances may be under/overstated.

Recommendation – Procedures be implemented to ensure that all General Capital contracts, and change orders awarded by the Governing Body, are recorded in a timely manner. Furthermore, purchase orders be reviewed for validity and appropriate action taken to adjust orders to reflect actual amounts owed to vendors.

Views of Responsible Officials and Planned Corrective Action – Management has reviewed this finding and has indicated it will review and revise its procedures to ensure that corrective action is taken.

**BOROUGH OF DUMONT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012**

This section identifies the status of prior-year findings related to the financial statements are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

Finding 2011-1

Our audit noted that there were capital project contracts for the field remediation and various storm/sewer improvements totaling \$3,909,997 which were not encumbered nor reported in the Borough's year end financial statements.

Current Status

See Finding 2012-1.

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BOROUGH OF DUMONT

BERGEN COUNTY

PART III

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

**BOROUGH OF DUMONT
SUPPORTING DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
CURRENT FUND**

	<u>Year 2012</u>			<u>Year 2011</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 1,314,000	2.26 %	\$ 816,000	1.42 %	
Miscellaneous - From Other Than Local					
Property Tax Levies	2,802,352	4.81	3,149,375	5.51	
Collection of Delinquent Taxes and Tax Title Liens	525,752	0.90	575,450	1.00	
Collection of Current Tax Levy	53,201,423	91.35	52,438,395	91.53	
Other Credits	<u>397,845</u>	<u>0.68</u>	<u>309,770</u>	<u>0.54</u>	
Total Income	<u>58,241,372</u>	<u>100.00 %</u>	<u>57,288,990</u>	<u>100.00 %</u>	
EXPENDITURES					
Municipal Budget	19,640,649	34.41 %	19,160,709	33.90 %	
County Taxes	4,080,449	7.15	4,428,025	7.83	
Local District School Taxes	33,334,772	58.41	32,926,525	58.24	
Other Expenditures	<u>18,765</u>	<u>0.03</u>	<u>17,840</u>	<u>0.03</u>	
Total Expenditures	<u>57,074,635</u>	<u>100.00 %</u>	<u>56,533,099</u>	<u>100.00 %</u>	
Less: Expenditures to be Raised by Future Revenue	<u>4,728</u>		<u>353,688</u>		
Total Adjusted Expenditures	<u>57,069,907</u>		<u>56,179,411</u>		
Excess in Revenue	1,171,465		1,109,579		
Fund Balance, January 1	<u>1,616,170</u>		<u>1,322,591</u>		
	2,787,635		2,432,170		
Less Utilization as Anticipated Revenue	<u>1,314,000</u>		<u>816,000</u>		
Fund Balance, December 31	<u>\$ 1,473,635</u>		<u>\$ 1,616,170</u>		

**BOROUGH OF DUMONT
SUPPORTING DATA**

Comparative Schedule Of Tax Rate Information

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Tax Rate</u>	\$3.182	\$2.541	\$2.463
<u>Apportionment of Tax Rate</u>			
Municipal	.928	.719	.724
County	.242	.213	.213
Local School	1.972	1.575	1.526
Library	.040	.034	

Assessed Valuation

2012 *	\$1,690,897,900	
2011		\$2,090,990,103
2010		\$2,091,056,705

* The Borough underwent a reassessment of real property which became effective January 1, 2012.

Comparison Of Tax Levies And Collection Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2012	\$ 53,810,186	\$ 53,201,423	98.87%
2011	53,153,045	52,438,395	98.66%
2010	51,588,577	50,908,783	98.68%

**BOROUGH OF DUMONT
SUPPORTING DATA**

Delinquent Taxes And Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Lien</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2012	\$ 570,874	\$ 4,331	\$ 575,205	1.07%
2011	528,428	3,663	532,091	1.00%
2010	575,458	3,022	578,480	1.12%

Property Acquired By Tax Title Lien Liquidation

No properties have been acquired in 2012 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens at December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2012	\$79,526
2011	79,526
2010	79,526

Comparative Schedule Of Fund Balances

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2012	\$1,473,635	\$1,178,971
	2011	1,616,170	1,314,000
	2010	1,322,591	816,000

**BOROUGH OF DUMONT
SUPPORTING DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Corporate Surety</u>
James J. Kelly	Mayor		
Kenneth Freeman	Councilman		
William Brophy	Councilman		
Matthew M. Carrick	Councilman		
Harry Stylianou	Councilman		
Matthew Hayes	Councilman		
Ellen Zamechansky	Councilwoman		
John Perkins	Administrator		
Susan Connelly	Borough Clerk		
Gregg Paster	Attorney		
T & M Engineering	Engineers		
Barbara Kozay	Tax Collector		
Donald Holdsworth	Magistrate		
Beryl Horbert	Court Administrator		
Glenda Hickey	Deputy Ct. Administrator		
James Anzevino	Tax Assessor		
Rosemarie Giotis	Chief Financial Officer		

The Bergen County Municipal Joint Insurance Fund and Hartford Fire Insurance Company provide a blanket position bond in the amount of \$1,000,000.

BOROUGH OF DUMONT

GENERAL COMMENTS

Prior Year Unresolved

Our audit of the Other Trust Fund revealed that escrow monies are not always refunded upon completion of project. It is recommended that the Borough review its procedures relating to developers escrow to ensure that the procedures comply with New Jersey Statutes.

Certain municipal departments ordered goods or materials prior to the issuance of a purchase order. It is recommended that the encumbrance system be enhanced to ensure that materials be ordered only after a purchase order has been executed.

Our audit of the Borough's Current Fund noted that there are numerous appropriated grants which have not been expended. It is recommended that the Borough review the balances of the appropriated grant reserves and action be taken to expend or clear them of record.

Our audit of the Other Trust Fund's police outside services revealed that deposits are not always made within a timely manner. It is recommended that all monies collected for police outside services be deposited within forty-eight hours of receipt.

Our audit noted that the Borough's fixed asset accounting records were not integrated with the Borough's financial accounting software. It is recommended that the Borough's fixed asset accounting records be updated in a timely manner and be integrated with the Borough's financial accounting software.

Our audit of the Construction Code and Police Departments revealed that monies were not always turned over to Treasurer within forty-eight hours of receipt. It is recommended that all fees collected by the Construction Code Department and the Police Department be deposited within forty-eight hours of receipt.

Our audit of improvement authorization balances in the General Capital Fund revealed that certain balances were not in agreement with the audited balances. It is recommended that improvement authorization balances be reviewed and adjustments made as necessary to bring balances in agreement with audited balances.

Current Year

Our audit of the Recreation Department noted that registration forms were not available for audit. It is recommended that registration forms for all recreation activities be made available for audit.

Our audit revealed that the service provider which processes the Borough's payroll did not submit a 2012 report on internal controls (SSAE No. 16) to the Borough. It is recommended that the Borough obtain a current report on internal controls (SSAE No. 16) from their payroll service provider.

Our audit revealed that the 2012 Police, Other Expenses budget appropriation was overexpended \$4,728 at December 31, 2012. The overexpenditure was created as a result of purchases which were being reimbursed by insurance proceeds but which were not charged to a budget line item. This appears to be an isolated instance and therefore no recommendation is warranted.

BOROUGH OF DUMONT

GENERAL COMMENTS

Contracts and Contracts Required To Be Advertised For NJS 40A:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$21,000 except by contract or agreement.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "professional services" per N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures revealed instances where the accumulation of expenditures exceeded the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

Collection Of Interest On Delinquent Taxes And Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 17, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, N.J.S.A. 54:4-67 authorizes the Borough to fix a rate of interest to be charged for delinquent taxes; and

WHEREAS, N.J.S.A. 54:4-67, as amended by Section 29 of P.L. 1991, c. 75, authorizes the Borough to fix a penalty of 6% to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay the delinquency prior to the end of the calendar year.

WHEREAS, the Council has decided to charge the maximum interest and penalty allowed by law on delinquent taxes.

BOROUGH OF DUMONT

GENERAL COMMENTS

Collection Of Interest On Delinquent Taxes And Assessments (Continued)

RESOLVED, by the Council of the Borough of Dumont, as follows:

1. For the year 2012 the rate of interest for delinquent taxes and Borough charges shall be 8% per annum for the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 except that, for any quarter if the taxes are paid during the first ten (10) days following February 1st, May 1st, August 1st, and November 1st there shall be no interest. If the office of the Tax Collector is closed on the 10th day of February, May, August or November this shall be extended to include the first business day thereafter.

2. For the year 2012 any taxpayer with a tax delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year shall be charged a penalty of 6% of the amount of the delinquency.

3. The Tax Collector is hereby authorized to cancel any overpayment of taxes or tax delinquency which is less than \$10.00.

Delinquent Taxes And Tax Title Liens

A tax sale was held on March 29, 2012.

Tax title liens receivable outstanding on December 31 of the last three years were insignificant.

**BOROUGH OF DUMONT
SUPPORTING DATA**

RECOMMENDATIONS

It is recommended that:


- * 1. The Borough review its procedures relating to developers escrow to ensure that the procedures comply with New Jersey Statutes.
- * 2. The encumbrance system be enhanced to ensure that materials be ordered only after a purchase order has been executed.
- * 3. Procedures be implemented to ensure that all General Capital contracts and change orders, awarded by the Governing Body, are recorded in a timely manner. Furthermore, purchase orders be periodically reviewed for validity and adjusted accordingly.
- * 4. The Borough review the balances of appropriated grant reserves and action be taken to expend or clear them of record.
- * 5. All monies collected by the Borough, including those collected by municipal departments, be deposited in a timely manner.
- * 6. The Borough's fixed asset accounting records be integrated with the Borough's financial accounting software.
- * 7. Improvement authorization balances be reviewed and adjustments made as necessary to bring balances in agreement with audited balances.
- 8. Registration forms for all recreation activities be made available for audit.
- 9. The Borough obtain a current report on internal controls (SSAE No. 16) from their payroll service provider.


Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all, except for those recommendations denoted with an asterisk (*).

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
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